

DCP Control No. 6170  
10 July 1958

MEMORANDUM FOR : DCP Members  
Mr. Robert W. Shaw, ICA/MDAC  
Mrs. Rosalind S. Springsteen, State/ECD  
Mr. Edward P. Walinsky, Commerce/OES  
Mr. Stanley L. Sommerfield, Treasury/FAC  
Mr. Eric Rehfeld, OSD/ISA

FROM: : CIA DCP Member

SUBJECT: Shipments of U.S. Army Equipment to  
Bloc purchasers.

REFERENCES: USARMA Brussels Nr. CX-4 (6 June 1958);  
DA IN 123010 (8 June 1958)

#### CLEARANCES

1. Permission has been granted to disseminate the information contained in the referenced Army Intelligence report to the Diversion Control Panel classified CONFIDENTIAL. Any further dissemination of this information should be cleared with the Department of Defense representative.

2. Please advise this Agency of the use made of this information.

#### BACKGROUND

3. The referenced unevaluated Army Intelligence report indicated that a Belgium national, Schwarz, residing at 66 Boulevard Ypres, Brussels, had purchased 100,000 US army uniforms in New York, and that he was in the market for 400,000 more. These uniforms, it was alleged, were destined for East Germany.

4. Berlin Despatch 644 (31 March 1958), reported that the firm Gabriel Dubois, 38 Rue Africaine, Brussels 5, Belgium, had offered, in addition to arms and ammunition, "10,000 American helmets, absolutely complete", at \$4.20 f.o.b., European port, to a West Berlin firm, Sitig GmbH, Ravensbergerstrasse 1, Wilmersdorf, West Berlin. A later Berlin Despatch, D-672 (11 April 1958), reports that Dubois will accept Saudi Arabia as a destination for the ammunition, providing a certificate of destination naming that country can be obtained. Berlin

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comments that on the basis of the Saudi Arabian end-use certificate, Dubois would be prepared to deliver the ammunition f.o.b. Trieste.

COMMENT

5. The steel helmets are covered by item XI c on the U.S. Munitions List (item 13, International ML). The Army uniforms, although covered by item 4915 on the U.S. Master Export Security List, are exportable from the U.S. under General License GRO to non Bloc destinations; however they may have been purchased by Schwarz abroad as military surplus equipment. In either event, sale to the Soviet Bloc is prohibited.

6. The Defense Department report covered by paragraph 3 above, although covering unrated material, has various paramilitary and/or espionage implications; furthermore, it has several interesting similarities with the shipment of helmets reported in the Berlin despatches, i.e. procurement of both items was centered in Brussels; the uniforms were allegedly destined for East Germany, and the helmets to a West Berlin firm which has frequently been observed dealing in illegal trade with East Germany; and both items were U.S. Army types with obvious inter-relationships.

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8. Sitig Export-Import GmbH has a long history of trade with the Bloc. Berlin Despatch 353, 9 October 1957, reported a previous offer of munitions items to Sitig from Nautus SA, Geneva. Sitig had also been associated with suspected diversions of copper, nickel, cobalt and aluminum during 1953 and 1954.

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in such activities in the past.


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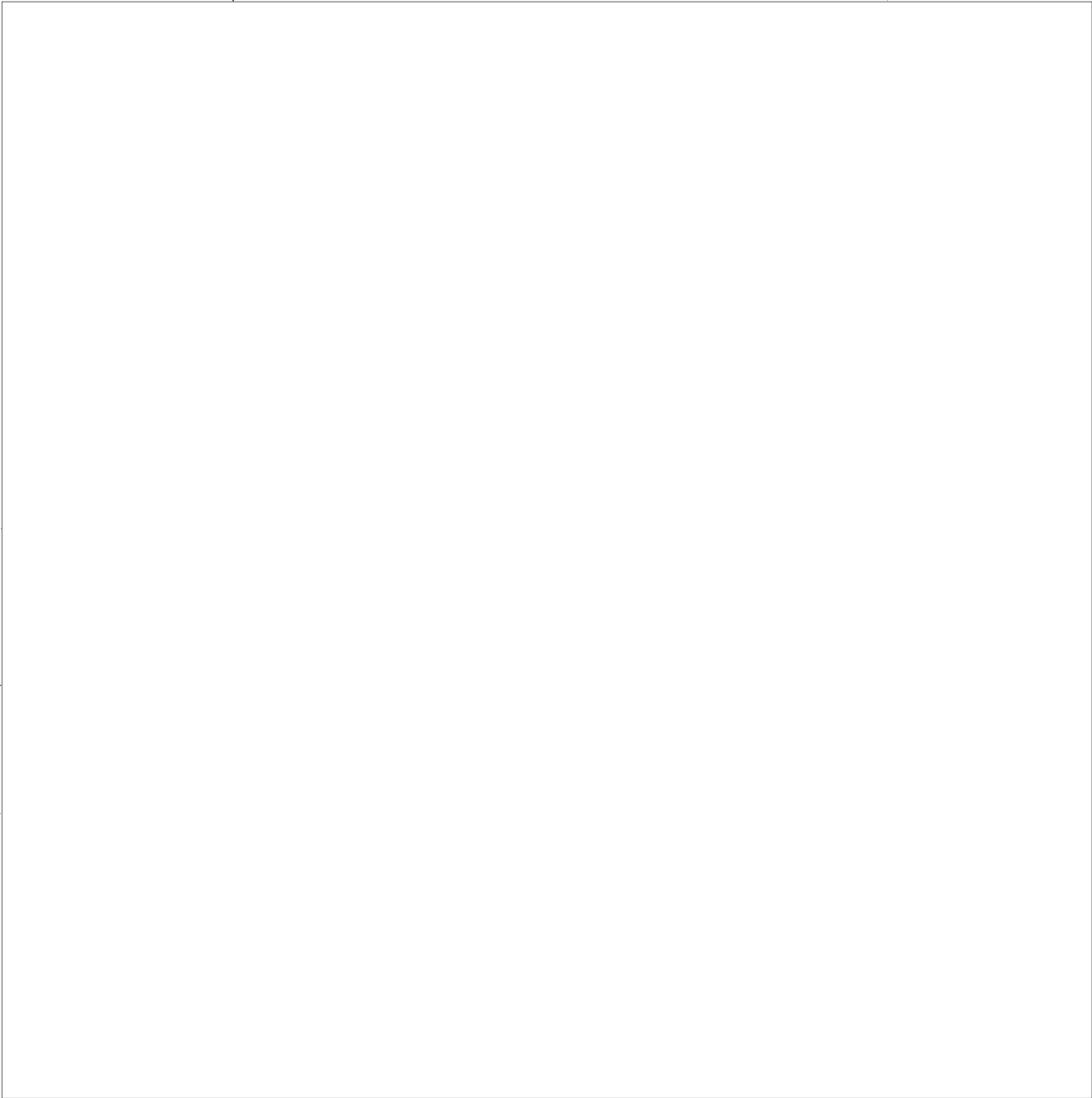
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 Assuming that the uniforms are destined for the Bloc, a violation of U.S. export controls or military surplus controls would be involved. The helmets, if exported directly from the U.S., would have required a validated export license from State Department (MC), which might identify Saudi Arabia as consignee, and Lebanon or Italy as intermediate destinations.



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